SGS

BUFFALO
REGION REVIEW

DISCUSSION TOPICS

I. MARKETPLACE

. Retail

- Mix, Chain vs Ind., Trade Class
- Chains
- Indian Outlets/Reservations
- Share

. Directs:

- Direct Chains/Key Directs
- Shipments
- Divisions - % of Region Volume

II. SPENDING

- Manpower
- Promotional
- Merchandising
- VAP/DAP
- Contracts
- Offices - Status

51859 1594

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

III. DIVISION TOPLINE

IV. REGION OPPORTUNITIES

- Local
- Current Priorities

V. '95 PLAN

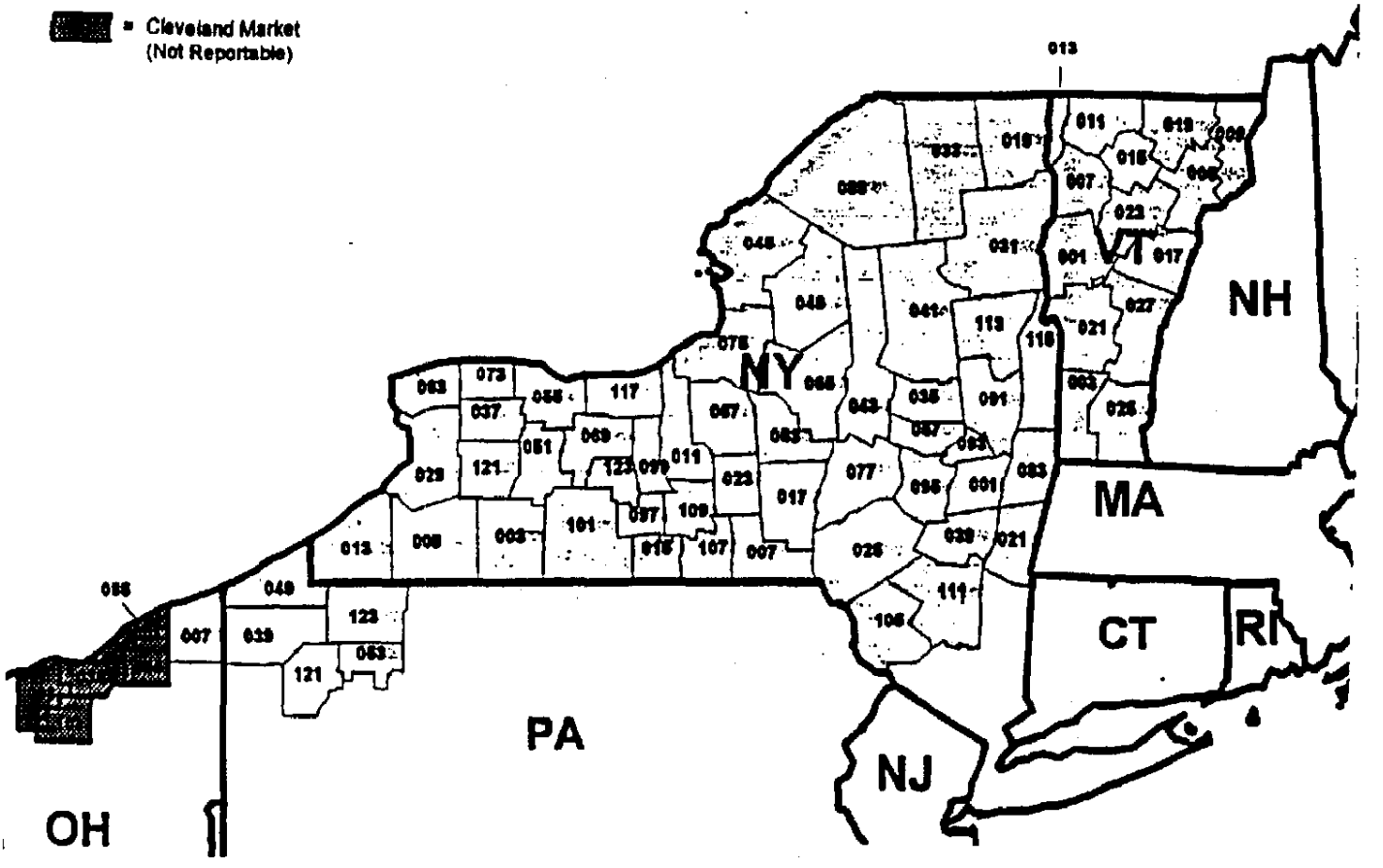
- Resource Allocation Process
  . Investigating Local Indicators
- Heavy Up - SELECT
- Heavy Up - MONARCH
- Personnel Plan
  . Part-Time
  . Full Time
  . Succession Candidates

51859 1595

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

51859 1596

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000



	Buffalo Region	% U.S.
Population	9,661,404	3.76
Households	3,635,914	3.83

The population for the Metro areas in the Buffalo Region are as follows (these are based on the 1990 U.S. Census)

Cleveland Metro	*2,202,069*
Buffalo Metro	*1,189,288*
Rochester Metro	*1,062,470*
Syracuse Metro	*742,177*
Albany Metro	*861,424*
Erie, PA Metro	*275,572*
State of Vermont	*562,758*

51859 1597

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

I. MARKETPLACE:

RETAIL: 13,008 Accounts:

- 60% Chains 40% Independents

- % of Volume by trade segment

  . 35% GS/CN

  . 21% SM

  . 13% Drug

  . 12% Cigarette Outlet

  . 11% Small Food

  . 5% Discount

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

KEY CHAINS:

- **WILSON FARMS(90 Stores) (BAC)**
  - *Average CPW 140*
  - *PM Pack Racks - Industry*
  - *Enhanced display on 50% of PM Display*
  - *Controls Buffalo Market*
  - *Relatively higher volume GS/CN*
  - *PM Masters Account - RJR Opportunity*

- **COUNTRY FAIR(70 stores) (LEM)**
  - *Average CPW 360*
  - *Base, RJR fixturing and dealer owned*
  - *High Volume GS/CN*
  - *Controls Erie and Northern PA*

- **BP (731 stores) (LEM)**
  - *Average CPW 169*
  - *Base Program w/ RJR OPMs, Private Label (HIGHWAY)*
  - *High volume GS/CN Stores*
  - *Dominates Cleveland and Northwestern PA*
  - *National Chain*

- **NICE N EASY (90 Stores) (SGS)**
  - *Average CPW 150*
  - *Base, RJR fixturing*
  - *Controls Syracuse, Utica GS/CN Stores*
  - *Owner influential in NYACS*
  - *Private Label (TEMPO)*

- **SUGARCREEK(98 stores) (BAC)**
  - *Average CPW 91*
  - *Base, RJR OPMs, Private Label (TEMPO)*
  - *Controls Rochester Market*
  - *Key personnel influential in NYACS*

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

KEY CHAINS (continued..)

. **WEGMANS (48 stores) (BAC)**

- *Average CPW 787*
- *RJR Ctn. Fixtures, 100% RJR fixturing*
- *Dominates market in Rochester and parts of Buffalo and Syracuse.*
- *Cadillac of SMs*
- *Trend Setter - other SMs follow their lead*

. **STEWARTS(244 stores) (GPB)**

- *Average CPW 120*
- *RJR Springloads, creative counter display*
- *Dominates Albany Market, high # of outlets in Syracuse as well.*
- *Very low RJR SOM beginning of 1994 - Oct. YTD gain of 4+ share points for RJR.*

. **TOPS MARKETS (60 stores) (BAC)**

- *Average CPW 394*
- *Carton Fixture, ECD, PM has industry pack*
- *Dominates Buffalo Market*
- *PM Masters Account*

. **UNITED REFINING (337) (LEM)**

- *139 D Calls*
- *177 A, B & C Calls - Average CPW 91*
- *100% RJR fixturing, Base and Component*
- *Numerous locations OH, PA, NY*
- *Lower volume accounts but lots of them*

51859 1600

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

KEY CHAINS (continued..)

- **PRICE CHOPPER (83 stores) (GPB)**
  - *Average CPW 443*
  - *RJR Ctn. Rack - Co-exist package fixtures*
  - *Controls Albany SM business*
  - *RJR Private Label FOCUS*

- **1st NATIONAL (47) (LEM)**
  - *Average CPW 602*
  - *RJR Carton, ECD, PM Industry Package*
  - *Controls Cleveland SM business*
  - *PM Masters Account*
  - *RJR Private Label PILOT*

- **FAYS DRUG (258 Stores) (BAC)**
  - *Average CPW 350*
  - *100% RJR fixturing - Vertical test pending*
  - *Large drug chain - high volume*
  - *Major factor in Albany, Rochester, Syracuse and Buffalo*

* Bring up P+C

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

SPECIAL CHAIN PROGRAMS

STEWARTS

- HISTORY:
  - Part of Region since October 1993
  - Considered problem Chain
  - Not receptive to National Programs
  - 12.5 RJR Share as of June 1994

- 1994 PROGRAMS/RESULTS:
  - Used Enhanced Display $'s to buy on ATC Display top two shelves
  - Capitalized on 2 pack price to buy CAMEL and SELECT down with Chain contribution
  - Drove CAMEL, SELECT and DORAL with price
  - 16.9 SOM as of October 1994 * Hand out

- OBJECTIVES FOR 1995:
  - Continue Display Payment
  - Continue SELECT Buy Down
  - In March, work CAMEL B3G3F as Buy 2 Get 1 Free - 1 month
  - Remove ongoing CAMEL Buy Down
  - Establish new Base
  - Look at 3rd Quarter Program once impact measured

51859 1602

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

WILSON FARMS

- **HISTORY:**
  - Part of Tops Markets
  - Poor relationship with Management for past 15 years (RJR not flexible)
  - Total RJR Share 21%
  - PM Stronghold
- **1994 PROGRAMS/RESULTS:**
  - Business Review with new Wilson Farms Merchandising Manager and Tops upper Management
  - Problems presented by RJR
  - Wilson Farms forced to provide expanded Distribution
  - Masters' Invitation
  - Use of Enhanced Display $'s to buy on PM NSS Display Topper
  - Continued to lose SOM
- **OBJECTIVES FOR 1995:**
  - Continue to buy RJR space on PM Fixture
  - Test expanded promotion period with supplemental displays and quantities for 1 month B1G1F vs B3G3F
  - Measure vs results
  - Develop plan based on results/lack of

51859 1603

to ① Plan A easy to read
② Buffalo only division to lose share - 2 mo

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

FAY'S/KINNEY DRUG

- HISTORY:

  - RJR Exclusive as of January 1994
  - RJR SOM 40% +
  - Good relationships
  - 100% RJR

- 1994 PROGRAMS

  - Work with Chain to co-exist with PM
  - Remove $480,000 from Fay Drugs
  - Maintain RJR volume
  - Vertical load on PM Fixture (Pkg)

  RESULTS:

  - Kinney Drug accomplished - NSS Pkg S/S Ctn
  - Fay Drug - signed off at Fay Drugs - PM yet to place fixture

- OBJECTIVES FOR 1995:

  - Continue reduced payment
  - Push for Vertical on PM fixture with advertising
  - Be Prepared for PM to back out

51859 1604

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

STATE OF VERMONT

- **HISTORY:**
  - Part of Albany Division/Buffalo Region 10/1/93
  - Non Fair Trade State
  - Low RJR SOM
    - > Total RJR 23.52
      Full Price 15.18
      Savings 8.34
      Mix: 65% FP 35% Savings
  - No Jobber VAP/DAP

RJR 65% FP 35% Savings

INDUSTRY → below Region @ 70-30 industry

- **1994 PROGRAMS/RESULTS:**
  - Assign SAM to all Direct Accounts
  - Heavy up Monarch to counter Prime, Private Stock, Eagle, GPC, Basic
  - Ask Steve Zitta to read

  RESULTS:

  - Unable to read as Cumberland Farms went from Monarch to Mustang
  - RJR Private Label 4.5 - 4.8 - 8.4 (Cumberland)

- **OBJECTIVES FOR 1995:**
  - Continue to work National Programs on Doral
    - B1G1F
    - B2G1F
    - BCtnG5F
    - B2CtnG1F
  - Monarch supported via Direct Mail and B2G1F
  - Switch to Doral market

51859 1605

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

RETURN GOODS PROGRAM

- 100% in BUFFALO, SYRACUSE and ROCHESTER - no sales rep involvement.

- Expanding to ALBANY and CLEVELAND in conjunction with no car stock test expansion. Must address chains.

51859 1606

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

INDIAN OUTLETS & RESERVATIONS

. 77 Outlets
  - Syracuse - 30
  - Albany - 1
  - Buffalo - 46

. Average Volume per call - 4,300/week
  - 52% Savings
  - 48% FP

. # of Reservations (8)
  - Syracuse - 3 - Onondaga, Oneida, St. Reg
  - Albany - 1 - Canienkwa
  - Buffalo - 4 - Tuscarora, Tonawodas, Seneca, Salamanca

. Effect on surrounding retail
  - Volume
  - Distribution
  - Merchandising
  - Cross Border Activity

51859 1607

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

SHARE OF MARKET - MARLIN

.	RJR (Total)	30.14
.	CAMEL (ex NF)	2.93
.	SELECT	1.32
.	RJR FP	17.47
.	RJR Savings	12.67
.	DORAL	3.58
.	MONARCH	4.56

51859 1608

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

BRAND PERFORMANCE
BY DIVISION
AIM

CAMEL (X-NF)

DIVISION	*1st HALF '94*	*2nd HALF '94*	*DIFF (+ OR -)*
SYRACUSE	2.12	2.58	+0.46
ALBANY	2.63	2.83	+0.20
ROCHESTER	2.93	3.31	+0.38
BUFFALO	3.31	3.08	-0.23
CLEVELAND	4.25	4.88	+0.63
REGION	3.52	3.70	+0.18

→ Wilson Farms Program Camel BIG IF

SELECT

DIVISION	*1st HALF '94*	*2nd HALF '94*	*DIFF (+ OR -)*
SYRACUSE	0.78	1.11	+0.33
ALBANY	0.76	1.08	+0.32
ROCHESTER	1.62	1.64	+0.02
BUFFALO	1.33	1.39	+0.06
CLEVELAND	1.04	1.46	+0.42
REGION	1.15	1.38	+0.23

DORAL

DIVISION	*1st HALF '94*	*2nd HALF '94*	*DIFF (+ OR -)*
SYRACUSE	9.91	9.68	-0.23
ALBANY	4.74	3.49	-1.25
ROCHESTER	4.68	4.17	-0.51
BUFFALO	3.62	3.94	+0.32
CLEVELAND	3.44	4.24	+0.80
REGION	4.51	4.67	+0.16

51859 1609

Hand out Camel line graph

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

DIRECTS:

- 74 Accounts

- Direct SM 7:
  (P & C, Price Chopper, Wegmans, 1st National, Akel, Riser, Tops)

- Direct CN 1:
  (Stewarts)

- Direct DG 5:
  (Kinney, Fays, Discount Drug, Rite Aid, CVS)

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

KEY DIRECTS

- **McLane NE**
  - *1,832 average weekly cases - RJR*
  - *Customer Base GS/CN*

- **Attea**
  - *872 average weekly cases - RJR*
  - *Customer Base - Indians/Reservations*

- **Tripifoods**
  - *650 average weekly cases - RJR*
  - *Customer Base GS/CN*

- **Herkimer Wholesale**
  - *253 average weekly cases - RJR*
  - *Customer Base GS/CN, SF*

- **Days**
  - *215 average weekly cases - RJR*
  - *Customer Base - Indians/Reservations*

- **M & S**
  - *259 average weekly cases - RJR*
  - *Customer Base - Inner City Cleveland*

- **Derigo**
  - *93 average weekly cases - RJR*
  - *Customer Base - Inner City/Metro Buffalo*

51859 1611

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

SHIPMENTS:

- Average 9,076 total cases per week
- Industry - 70% FP, 30% Savings
- RJR - 56% FP, 44% Savings
- CAMEL - Average 1240 CPW
- SELECT - Average 400 CPW
- DORAL - Average 1380 CPW
- MONARCH - Average 1575 CPW

- Ship in/Ship Out:
  - McLane - 16 States - OUT
  - Tripifoods - 18 States - OUT

Cleveland 50% of pack business shipped from outside.

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

% OF REGION VOLUME

SYRACUSE	13.4%
ALBANY	12.8%
ROCHESTER	29.0%
BUFFALO	29.5%
CLEVELAND	15.4%

51859 1613

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

51859 1614

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

II. SPENDING 1994

MANPOWER

PART-TIME:

Current:	SRT's	8
	P/T Merch Coord.	3
	Gen.Sales Workers	14
	Prom.Specialists	50
	P/T Secys.	4
	TOTAL:	*79*

PART TIME $ 945,374.00

FULL TIME:

Current vs. Authorized Headcount:

Sr. ASRs	5	RSM	1
ASRs	30	T&Ds	5
TRs	7	SAMs	5
SRs	4	CAM	1
RR's	19	SCAMs	2
Total Reps:	*65*	DMs	5
Total Auth:	*69*	ROM	1
Reg. Sec.	*0*	RBM	1
Total Auth:	*1*	*Total:*	*21*
		Total Auth:	*21*

FULL TIME $ 3,518,038

51859 1615

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

II. SPENDING 1994

PROMOTIONAL

FULL PRICE	$ 6,711,078	PV 14.9%
SAVINGS	$11,372,232	PV 46.2%

MERCHANDISING $1,203,228.00

		% of Total
Carton Merchandisers	$346,176	29%
Package Merchandisers	$392,262	33%
Permanent Displays	$268,530	22%
Special Fixtures	$118,864	10%
Sales Tax	$ 77,066	6%

VAP/DAP $346,101.00 → Budget problem in 95

51859 1616

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

CONTRACTS

. 1994 - $8,130,492

Class	% of Volume	% of Contract $	Yearly Contract Spending
SM	21%	19.54%	$1,602,948
CN/GS	35%	48.75%	$4,001,724
SF	11%	6.63%	$544,620
DG	13%	11.52%	$945,684
DT	5%	5.26%	$432,240
LQ	1%	1.41%	$115,848
TN	2%	1.05%	$86,748
CO	12%	4.88%	$400,680
TOTAL			$8,130,492

. Region Contractual spending in line with segment volume

51859 1617

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

II. SPENDING 1994

OFFICES

Savings over previous year --- $45,388.00

Status as to offices -

1622 & 1642	**1 yr. extension exp. 8/95**
	Will Move
1623 and 1643	**Good Size - exp. 5/95**
	Will Renew
1624	**Office Suite - exp. 4/95**
	Will Move
1626, 1600 & 1610	**3 years - exp. 9/97**
1632 and 1644	**Exp. 3/96**
	Attempting to sub-let

Best Buy - were paying $3800 month now 800

51859 1618

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

51859 1619

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

III. DIVISIONS (TOPLINE)

1622 SYRACUSE:

- (1) DM, (7) FT Reps, (1) SRT

- Key Chains: P & C, Nice N Easy, Wegmans,Fays, Hess, A Plus, Mobil, Indians.

- Highest developed Savings Division in Region

  AIM *Full Price:* 54% *Savings:* 46%

- Metro Syracuse - 1 assignment inner city.

- 3 Indian Reservations

- Large Geography / Rural Area

- No Car Stock

- 13.4% of Region Volume

51859 1620

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

SYRACUSE DIVISION

- % Retail by Trade Segment:

  - 39% GS/CN
  - 9% SM
  - 11% Drug
  - 2% Cigarette Outlet
  - 24% Small Food
  - 2% Discount
  - 3% Tobacco

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

1623 ALBANY

- (1) DM, (1) T&D, (15) FT Reps, (1) SRT.

- Diverse Division:

  Vermont: Highly skewed savings
  Border Business - Low State
  Tax in VT vs NY

  VT Tax -- $2.00

  NY Tax -- $5.60

  Albany:

- 1 Indian Reservation
- Large geography/rural area
- Key Chains: Stewarts, Price Chopper, Cumberland Farms, Grand Union
- 12.8% of Region Volume

51859 1622

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

ALBANY DIVISION:

- % Retail by Trade Segment
  - . 44% GS/CN
  - . 9% SM
  - . 4% Drug
  - . 1% Cigarette Outlet
  - . 11% Small Food
  - . 2% Discount
  - . 3% Tobacco

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

1624 ROCHESTER

- (1) DM, (1) T&D, (13) Reps
- White Collar
- Skewed more toward FP
- Areas of strong savings - Binghamton, Rochester - Inner City
- SF 2000 Test - disbanded November '94
- No car stock
- Key Chains: Wegmans, Fays, P & C, Sugarcreek, Hess, Mobil
- 65% Chain
- Cigarette Outlet test Contracts (5)
- 29.0% of Region Volume.

51859 1624

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

ROCHESTER DIVISION:

- % Retail by Trade Segment:
  - . 46% GS/CN
  - . 15% SM
  - . 11% Drug
  - . 1% Cigarette Outlets
  - . 19% Small Food
  - . 3% Discount
  - . 3% Tobacco

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

1626 BUFFALO

- (1) DM, (1) T & D, (14) Reps, (1) SRT
- Heavily influenced by Cigarette Outlets - Indians, low regular retail volume
- High Savings share - Cig. Outlet effect
- Metro area - strong savings inner city - Menthol
- No car stock
- Cross border traffic/Resort - Niagara Falls
- Key Chains: Tops, Wilson Farms
- Cig Outlet test contracts (3)
- 29.5% of Region Volume

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

BUFFALO DIVISION:

- % Retail by Trade Class:
  - . 43% GS/CN
  - . 8% SM
  - . 12% Drug
  - . 2% Cigarette Outlet
  - . 22% Small Food
  - . 3% Discount
  - . 4% Tobacco

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

1632 CLEVELAND

- (1) DM, (2) T&D's. (15) Reps (19 Authorized), (6) SRT's

- High RJR SOM

- High RJR SOC - FP

- Strong inner city savings - Menthol - MONARCH M 100

- 21 assignments - mini SF 2000

- Have car stock

- 2 taxing jurisdictions

Ohio :	$2.40
Cuyahoga County:	$2.85

- Strong Merchandising presence

- Key Chains: 1st National, Riser Foods, BP, Con Sun, Dist.Drug, MGI.

51859 1628

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

CLEVELAND DIVISION:

- % Retail by Trade Segment
  - . 45% GS/CN
  - . 9% SM
  - . 10% Drug
  - . 0% Cigarette Outlet
  - . 19% Small Food
  - . 4% Discount
  - . 3% Tobacco

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

1642 SYRACUSE CHAIN

- (1) SCAM B. A. Cook
  (3) SAM's
  Key Chains: Wegmans, P & C,
  Sugarcreek, McLane, Tops, Wilson Farms

1643 ALBANY CHAIN

- (1) SCAM G. P. Buchas
  (1) SAM
  Key Chains: Price Chopper, Stewarts

1642 CLEVELAND CHAIN

- (1) CAM L. E. MacWilliams
  (1) SAM
  Key Chains: BP, Country Fair,
  1st National, Riser, United Refining

1610 R O U

- ROM S. R. MacLeod
- (4) Coordinators
  - (1) experienced Division Secretary
  - (3) New (November '93)

51859 1630

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

51859 1631

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

IV. REGION OPPORTUNITIES

NEW YORK STATE FAIR

- Exclusive distribution, promotion and advertising at concession stands.
- Free Fair ticket w/3 pack purchase
- Successful local leverage program we have improved each year - 4th year in 1995.
- Unique use of Co-Marketing $'s with chains.
- Good working relationship with NYS Fair Personnel. Conducive to promoting our product.
- 900,000 people - 12 days.

51859 1632

Embellish
- Since 1991
- Robert Crawford booths
- Concessionaire
- 13% SOM in 1990
- 1991 - 100% Exclusive
- forced trial
- continuing to improve

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

DIRT MOTOR SPORTS

- 15 tracks NY, PA - exclusive distribution, promotion and advertising.
- Conservative estimate 3.5 Million people in attendance.
- Dirt track ticket with 2 packs.
- Successful local leverage program we have improved each year since 1991.
- Super Dirt Week - 150,000 people.
- Tied in with Nice & Easy (90 stores) Kinney Drugs (50 stores), Fays (250 stores), A Plus (60 stores)
- Good working relationship w/AMG and Glenn Donnelly, owner of Dirt Motor sports. Very receptive to helping us build our business.

51859 1633

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

UNADILLA MOTORCROSS

- Biggest Motorcross event in the U.S.
- Exclusive distribution, promotion, advertising.
- Co-Marketing tie-ins w/local Conv. store chains.
- Red Barrel (25 stores) Quickway (30 stores)
- Great opportunity for Camel brand
- Program in its 3rd year - continues to improve.

51859 1634

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

CURRENT PRIORITIES

- TOPS - Industry Package Merchandisers
- Expand Car Stock Test
  - Albany
  - Cleveland
- Expand Vertical Coverage
  - Buffalo and other Metro areas
- Additional SAM/CAM
  - Determine Priority accounts
  - Re-align headquarter responsibilities
  - Reduce # of accounts called on by each manager.
    - Category Managers

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

51859 1636

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

V. 1995 PLAN

PROMOTIONS - Resource Allocation Process:

1. VAP off the top - approx. 6,000 sku's
   - 90% of Allocation delivered via VAP

* Hand out preferred customers (VAP form sign up sheet

2. MARLIN, AIM and Market knowledge - RBM w/RSM determine best use of residual quantity

3. Working Plans meeting - conducted to confirm or refute "best use" determination by RBM/RSM.

hand out letter sent out prior to Working Plans mtg.

   - Gain agreement why, where, how and when to work promotion to maximize volume/share opportunities.

4. Information from working meeting rolled up and sent out prior to new quarter, with all pertinent information and allocations by Rep in clear, concise, accurate package.

51859 1637

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

Example:

JANUARY - SELECT B2G2F - Region
Allocation: 7,185 sku's

1. **VAP Commitments --- 6,150 skus**

2. **Via AIM - RBM identified Cleveland as greatest potential to maximize use of residual 1,035 sku's, due to it's 1.00 share on SELECT vs Region share of 1.32. Cleveland also is more developed in Full Price, which suggests a greater opportunity to grow SELECT.**

3. **Finding/conclusions confirmed during Working Plans Meeting in late November. Specific placement needed in GS/CN stores and ECD's.**

4. **Work Plan communication locked down with allocations by Rep and communicated early December**

51859 1638

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

' 95 FULL PRICE PROGRAM

Brand: SELECT
Region: BUFFALO
Region #: 1600

Other Program Requests:

Program Description	DTS Date	Cost	Other Notes:
1. PSCR Program	2/1/95	$153,725	Will Work SELECT and CAMEL
2. 5,000 Incremental Expert Panel Kits	2/1/95	$ 7,500	PSCR will utilize to gain conversion
3. SELECT B2G1F	2/20/95	$349,308	To be worked as Region VAP 1st week of March
4. D.I.R.T. Program	4/1/95	$ 46,600	20,000 Ticket Boxes 1,000 DBRC
5. SME Lighters	4/1/95	$ 9,504	To be worked w/Unadilla, Resort Coverage, DIRT
6. Unadilla Program/ Suzuki Pro National	6/1/95	$ 6,000	Will utilize MB Generic POS Support
7. B3GFTicket - New York State Fair Program	7/1/95	$ 88,000	50,000 Select Ticket Boxes 2,000 DBRC

Page 15 Subtotal: $ 660,637.00

* Remainder to be placed in Discounting Budget ($239,363)

 To be returned to Bill Duffy by Sept. 30 '94

51859 1639

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

' 95 FULL PRICE PROGRAM

Program:	DTS	Cost
Personal Sales Conversion Program	2/13/95	$153,725

Description:

Personal Sales Conversion Reps (PSCR)
1 Per Division to work 32 hours per week - specifically to conduct quality store sales to convert competitive smokers to SELECT or CAMEL and complete name generation cards.

Cost Breakdown:

- 5 PSCR's at $8.00 per hour 32 hours per week $60,160

  for 47 weeks - DTS 2/13/95
- (5) PSCR's @ 29¢ per mile - average

  300 miles per week $20,460
- (30) Conversions per day @ $2.50 avg.

  price per pack $ 73,125

TOTAL PROGRAM COST:	$153,725

51859 1640

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

' 95 FULL PRICE PROGRAM

Program:	DTS	Cost
SELECT B2G1F	2/20/95	$349,308.00

Description:

- To be worked 3rd week of March as a Region VAP Promotion targeted to GS/CN outlets. 4 Styles.

Select FF King
Select FF Box
Select Lt Box
Select Lt 100

Cost Breakdown:

438 6 M's each style **Total: 1,752 6M's.**

TOTAL:	$349,308.00

51859 1641

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

' 95 FULL PRICE PROGRAM

Program:	DTS	Cost
D.I.R.T. Motorsports	4/1/95	46,600

Description:

- Consumer receives $2.00 off an admission ticket. Program runs from 4/15/95 - 10/1/95. RJR receives exclusive distribution and advertising at 15 tracks. Ties in with Key Region Chains at no additional cost.

Cost Breakdown:	**Total:**
• **Program Sponsorship**	**$35,000.00**
• **Ticket Boxes, Advertising, etc.**	**11,600.00**

TOTAL COST:	$46,600.00

Total RJR Promoted Volume:

- ***20,000 Free Tickets ($2.00 off for consumer)***

20,000 X 2 packs = ***40,000 Packs***

15 Tracks - 30 Ctns. Per Week x 18 wks. = ***81,000 Packs***

TOTAL PROMOTED VOLUME: = ***12,100 CARTONS***

Cost Per Carton: ***$ 3.85***

51859 1642

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

' 95 FULL PRICE PROGRAM

Program:		Cost:
BUFFALO REGION - HEAVY-UP SELECT	DTS 4/1/95	$9,504.00

Description:

SME

- Additional quantities purchased over and above National allocation to support D.I.R.T., UNADILLA and NYS FAIR.

(400) SKU's B2GF SELECT CUP LTR.

(200) SKU's B2GF HARLEY DAVIDSON LTR.

600 SKU's TOTAL

TOTAL COST::	$9,504.00

51859 1643

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

' 95 FULL PRICE PROGRAM

Program:	DTS	Cost
UNADILLA/Suzuki Pro	6/1/95	$6,000.00

Description:

- Program Worked in conjunction with two local chains. $6,000.00 sponsorship gives us a 50 cent Buy Down on 2 packs in 54 Stores on 54,000 packs (Value of $13,500.00). Also, we receive exclusive distribution at event.

Cost Breakdown:	**Total**
Sponsorship Fee	**$6,000.00**
TOTAL:	**$6,000.00**

TOTAL RJR PROMOTED VOLUME:

• *100 Ctns. per store x 54 stores =*	*5,400 ctns.*
• *At event*	*600 ctns.*
	6,000 ctns.
TOTAL COST PER CARTON:	*$1.00*

51859 1644

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

'95 FULL PRICE PROGRAM

Program:	DTS	Cost
New York State Fair Program	7/1/95	$86,000.00

Description:

- Consumer buys 3 packs of SELECT and gets a free admission ticket to New York State Fair. Fair runs from 8/24/95 to 9/4/95. Target Area: Syracuse/Rochester areas.

Cost Breakdown:	**Total:**
• **Tickets and Lease:** (Based on 50% redemption)	**$45,000.00**
25,000 redeemed. ***1st 10,000 @ $5,000*** ***2nd 10,000 @ $30,000*** ***3rd 5,000 @ $10,000***	
• **Event:** (AMG Coordinated) Dirt/Nascar Pavilion	**$10,000.00**
• **Concessions:** (20 ¢ Pack Buy down - Exclusive Distribution) Based on 2,500 ctns.	**$ 5,000.00**
• **Ticket & Advertising Mock ups & Assoc. Costs** (assumes some cost as 1994 costs - 5¢ per 50,000 boxes)	**$ 28,000.00**

TOTAL:	$88,000.00

TOTAL RJR Promoted Volume
(50,000 Tickets X 3 pks. = 150,000 pks) } } = 17,500 Ctns

(Concession Sales: 25,000 pks) } (Cost Per Carton: $ 5.02)

51859 1645

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

[redacted] '95 Savings Plan

Buffalo Heavy Up Monarch

Presence Materials

Item	*Packing*	*Cost per Sku*	*# Requested*	*Total $$'s*
Pricing Banners	10	$60	80	$4,800
Curb Mount Signs	1	$85	120	$10,200
Metal Sign	10	$50	0	0
Horiz. Window/Wall Pricer	10	$75	120	$9,000
Small Vert. Window Pricer	10	$50	0	0

Totals ***$24,000***

[redacted]

51859 1646

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

[redacted] '95 Savings Plan

Monarch Heavy Up Detail

- ***Direct Mail Program***
  - **1st, 2nd, 3rd & 4th Quarters**
  - **B1G1F, B2G1F, Buy 4 packs or a carton, get $3.00 off**
    - » Targeted into strategic geographic areas
  - **Heavy up areas identified by zip code**
  - **Encompasses 150,000 competitive smokers**
  - **2-prong attack**
    - » Menthol areas - targeted with Menthol
    - » Non-Menthol areas - targeted with Non-Menthol
    - » Cost 300K
  - **3rd Quarter**
    - » General B2G1F mailing to all competitive smokers, with $5.00 bounceback across Region - includes Heavy-Up zips + 3.00 off 4 packs
    - » Areas targeted for Menthol and Non-Menthol

Program Rationale: PM had great success with massive direct mail on Basic with a B2G1F in Buffalo Region in 1994.

[redacted]

51859 1647

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

[redacted] Heavy-Up Coverage Area

by County

- **Pennsylvania**
  - Erie
  - Crawford
- **New York**
  - Erie - *Menthol Priority*
  - Niagara
  - Broome
  - St. Lawrence
  - Lewis
  - Jefferson
  - Franklin
  - Schoharie
  - Otsego
  - Oneida
  - Herkimer
  - Clinton
- **Vermont**
  - Entire State
- **Ohio**
  - Cuyahoga - *Menthol Priority*

51859 1648

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

[redacted] Savings

Monarch Heavy-Up Detail

- **Monarch DAP**

2nd, 3rd & 4th Quarters

- MM Box, Mon M Lt Box, Mon M 85, Mon MFF 100
- 25¢ off per pack sticker
- 4 carton display
- Geared to gain distribution in calls 75 CPW & below
- Directs in inner city
- $10,600 Budget - 2,100 displays

Program Rationale:To gain distribution in low end calls prior to heavy up direct mail coupon drop on Monarch Menthol targeted toward Newport and other competitive smokers.

51859 1649

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

[redacted] Savings

Monarch Heavy-Up Detail

- **2nd Quarter - Monarch B1G1F.**
  - 4/1/95 DTS
  - Cleveland, Buffalo
  - Monarch M Box
  - Monarch M 100
  - 400 6M Cases

Program Rationale: *Targets Newport strongholds - Gain trial in E, C, A & B calls. Strong Newport growth. Positive acceptance of Monarch M 100 by Newport smokers. Growth opportunity on Monarch M 100.*

» *40,000 offers - Cleveland*

» *20,000 offers - Buffalo*

[redacted]

51859 1650

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

[redacted] Savings

Monarch Heavy-Up Detail

- **2nd Quarter - Monarch B2G1F**
  - –Rochester, Syracuse, Albany
  - –Monarch FF 85
    Monarch Lt 85
    Monarch FF 100
    Monarch Ult 100
  - –1,000 6M cases

Program Rationale: *Program to be utilized in package oriented accounts targeted at competitive strongholds. Franchise protection.*

[redacted]

51859 1651

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

[redacted] Savings

Monarch Heavy-Up Detail

- **4th Quarter - Monarch B2G1F - Region VAP**
  - All Divisions
  - DTS 11/1/95
  - 1,200 6M cases
  - Monarch FF 85
    Monarch FF 100
    Monarch Lt Box
    Monarch Lt 100
  - Targeted to GS/CN - A&B calls throughout the Region.

Program Rationale: *Full Market coverage GS/CN store priority. Franchise defense and protection.*

[redacted]

51859 1652

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

PERSONNEL PLAN

- **PART TIME:**

  - **September spending: $107,700, 65% is $70,000**

  - **November Spending $72,000**

  - **Pull 48 hours per week from Promo Specialists in Syracuse**

  - **Pull 40 hours per week from Promo Specialists in Albany**

Have Budget #'s ready

51859 1653

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

- **FULL TIME:**

1. REALIGNMENT/VERTICAL COVERAGE

- Realign Metro areas
- Vertically cover tightly controlled chains w/Part-Time
- Hit frequency on priority outlets in realigned territories
- Currently in place in Buffalo, Cleveland

2. ADDITIONAL SAM/CAM

- Fund from existing headcount
- Reduce # of accounts and re prioritize accounts by CAM/SAM
- Stress category manager concept

3. SENIOR SALES REPS

- Re-Deploy/Re-Think accountabilities
- High opportunity hitmen

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

SUCCESSION CANDIDATES

NOW

- 1642 SAM R. M. Duszynski to Chain Accounts Manager

- 1626 TR Cheryl Allesandra to ELM (Buffalo Only)

DEVELOPMENT:

	Timing
• 1622 SR Diane Eckardt	1 year
TR L. J. Monterastelli	1 year
• 1623 T&D E. Kight	1 year
TR N. Moore-Natalini	1 year
• 1624 TR C. M. Schwartz	6 mos. - 1 yr.
TR R. Balmer	6 mos. - 1 yr.
• 1626 ASR L. Haener	1-1/2 years
• 1632 TR Carissa Cole	1 - 2 years
ASR Brian Smith	1 - 2 years

51859 1655

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000

Promoted in 1994:

- DM C. M. Uffindell

  SAM K. L. Myers

  ASR S. G. Schwalm

  ASR A. Zecca

  ASR K. Jurgensen

51859 1656

Source: https://www.industrydocuments.ucsf.edu/docs/gngn0000